

**Executive Summary – Enforcement Matter – Case No. 48399**  
**Stolt-Nielsen USA Inc.**  
**RN102562063**  
**Docket No. 2014-0373-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Stolt Tank Cleaning Facility and Depot, 16300 De Zavalla Road, Channelview, Harris County

**Type of Operation:**

Tank container cleaning facility

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** July 18, 2014

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$20,251

**Amount Deferred for Expedited Settlement:** \$4,050

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$8,101

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$8,100

Name of SEP: Barber's Hill Independent School District (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2011

**Executive Summary – Enforcement Matter – Case No. 48399**  
**Stolt-Nielsen USA Inc.**  
**RN102562063**  
**Docket No. 2014-0373-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** January 6, 2014 through February 12, 2014

**Date(s) of NOE(s):** February 20, 2014

***Violation Information***

1. Failed to comply with the conditions regarding the number of containers cleaned per hour. Specifically, hydrazine and olefin sulfide containers are limited to one container cleaned per hour; however, on October 11, 2012 and June 11, 2013, two containers were cleaned per hour [30 TEX. ADMIN. CODE §§ 106.261(a)(3), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3016, Special Terms and Conditions ("STC") No. 8, and New Source Review ("NSR") Permit No. 23405, Special Conditions ("SC") No. 7].
2. Failed to comply with the volatile organic compound ("VOC") emissions specifications for surface coating. Specifically, on seven occasions between August 10, 2012 through September 9, 2012 and on one occasion on March 24, 2013, the Respondent used coating with greater than 3.5 pounds of VOC per gallon of coating [30 TEX. ADMIN. CODE §§ 115.421(a)(9)(A)(iii) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3016, STC No. 1A].
3. Failed to route emissions from container cleaning operations to the flare. Specifically, emissions from a container where the immediate past service of the container was a List I chemical were not vented to the flare on July 21, 2012, resulting in the unauthorized release of .0001 lb of para toluene sulfonic acid [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3016, STC No. 8, and NSR Permit No. 23405, SC No. 5].
4. Failed to prevent prohibited chemicals from being vented to the flare. Specifically, emissions from a container previously containing wastewater containing 2.5% propylene dichloride were vented to the flare on July 11, 2012, resulting in the unauthorized release of 0.15 lb of hydrogen chloride [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3016, STC No. 8, and NSR Permit No. 23405, SC Nos. 6 and 10].

**Executive Summary – Enforcement Matter – Case No. 48399**  
**Stolt-Nielsen USA Inc.**  
**RN102562063**  
**Docket No. 2014-0373-AIR-E**

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. On August 31, 2012, established an electronic work order database designed to display permit restrictions for specific chemicals;
- b. On February 3, 2014, installed equipment to create a visual notification of commonly cleaned compounds and their hourly permitted cleaning limits;
- c. On February 5, 2014, trained employees on compliance with the container per hour restrictions;
- d. On February 27, 2014, trained personnel to use compliant paints and implemented the use of a calculation workbook to assist in averaging coatings usage; and
- e. On February 28, 2014, disposed of non-compliant paints.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Amancio R. Gutierrez, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-3921; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

**Respondent:** Dustin Callaway, TSD Director, Stolt-Nielsen USA Inc., 15635 Jacintoport Boulevard, Houston, Texas 77015

**Respondent's Attorney:** N/A



**Attachment A**  
**Docket Number: 2014-0373-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Stolt-Nielsen USA Inc.</b>
<b>Penalty Amount:</b>	<b>Sixteen Thousand Two Hundred One Dollars (\$16,201)</b>
<b>SEP Offset Amount:</b>	<b>Eight Thousand One Hundred Dollars (\$8,100)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Barber's Hill Independent School District</b>
<b>Project Name:</b>	<b><i>Alternative Fuel School Bus Replacement</i></b>
<b>Location of SEP:</b>	<b>Chambers County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

**a. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO<sub>x</sub>"), particulate matter ("PM"), and volatile organic compounds ("VOCs") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five (5) years following the date of purchase. The SEP will

be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO<sub>x</sub> may be reduced by 98%; VOCs by 93%; CO by 83%; and PM by 99%.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant  
Carl R. Griffith & Associates, Inc.  
2901 Turtle Creek Drive, Suite 445  
Port Arthur, Texas 77642

### 3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

### 4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

### 5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.





# Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

<b>DATES</b>	<b>Assigned</b>	24-Feb-2014	<b>Screening</b>	11-Mar-2014	<b>EPA Due</b>	
	<b>PCW</b>	19-May-2014				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Stolt-Nielsen USA Inc.		
<b>Reg. Ent. Ref. No.</b>	RN102562063		
<b>Facility/Site Region</b>	12-Houston	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	48399	<b>No. of Violations</b>	4
<b>Docket No.</b>	2014-0373-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Amancio R. Gutierrez
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$22,500
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	10.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$2,250
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Notes: Enhancement for two NOV's with same or similar violations.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$4,499
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts: \$284  
Approx. Cost of Compliance: \$23,850

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$20,251
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	\$20,251
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$20,251
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$4,050
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$16,201
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Screening Date 11-Mar-2014

Docket No. 2014-0373-AIR-E

PCW

Respondent Stolt-Nielsen USA Inc.

Policy Revision 3 (September 2011)

Case ID No. 48399

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102562063

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 10%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for two NOVs with same or similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 10%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 10%

Screening Date 11-Mar-2014  
Respondent Stolt-Nielsen USA Inc.  
Case ID No. 48399  
Reg. Ent. Reference No. RN102562063  
Media [Statute] Air  
Enf. Coordinator Amancio R. Gutierrez  
Violation Number 1

Docket No. 2014-0373-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Rule Cite(s)

30 Tex. Admin. Code §§ 106.261(a)(3), 116.115(c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. O3016, Special Terms and Conditions ("STC") No. 8, and New Source Review ("NSR") Permit No. 23405, Special Conditions ("SC") No. 7

Violation Description

Failed to comply with the conditions regarding the number of containers cleaned per hour. Specifically, hydrazine and olefin sulfide containers are limited to one container cleaned per hour; however, on October 11, 2012 and June 11, 2013, two containers were cleaned per hour.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

2 Number of violation days

mark only one  
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$7,500

Two single events are recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective measures on February 5, 2014, before the February 20, 2014 Notice of Enforcement ("NOE").

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$79

Violation Final Penalty Total \$6,375

This violation Final Assessed Penalty (adjusted for limits) \$6,375

# Economic Benefit Worksheet

**Respondent** Stolt-Nielsen USA Inc.

**Case ID No.** 48399

**Reg. Ent. Reference No.** RN102562063

**Media** Air

**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

## Delayed Costs

Equipment	\$500	11-Oct-2012	5-Feb-2014	1.32	\$2	\$44	\$46
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$500	11-Oct-2012	3-Feb-2014	1.32	\$33	n/a	\$33
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

**Notes for DELAYED costs**

Estimated costs to train employees on compliance with the container per hour restrictions and to install equipment to create a visual notification of commonly cleaned compounds and their hourly permitted cleaning limits. The Date Required is the first date of non-compliance and the Final Dates are the dates of compliance.

## Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

**Approx. Cost of Compliance**

\$1,000

**TOTAL**

\$79

Screening Date 11-Mar-2014

Docket No. 2014-0373-AIR-E

PCW

Respondent Stolt-Nielsen USA Inc.

Policy Revision 3 (September 2011)

Case ID No. 48399

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102562063

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 115.421(a)(9)(A)(iii) and 122.143(4), Tex. Health &amp; Safety Code § 382.085(b), and FOP No. O3016, STC No. 1A

## Violation Description

Failed to comply with the volatile organic compound ("VOC") emissions specifications for surface coating. Specifically, on seven occasions between August 10 through September 9, 2012 and on one occasion on March 24, 2013, the Respondent used coatings with greater than 3.5 pounds of VOC per gallon of coating.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 2

8 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

Two quarterly events are recommended (one quarterly event for the dates of non-compliance that occurred from August 10 through September 9, 2012 and one quarterly event for March 28, 2013).

## Good Faith Efforts to Comply

10.0% Reduction

\$750

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes

The Respondent completed corrective measures on February 28, 2014, after the February 20, 2014 NOE.

Violation Subtotal \$6,750

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$66

Violation Final Penalty Total \$7,500

This violation Final Assessed Penalty (adjusted for limits) \$7,500

## Economic Benefit Worksheet

**Respondent** Stolt-Nielsen USA Inc.  
**Case ID No.** 48399  
**Reg. Ent. Reference No.** RN102562063  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$250	10-Aug-2012	27-Feb-2014	1.55	\$19	n/a	\$19
Training/Sampling	\$500	10-Aug-2012	27-Feb-2014	1.55	\$39	n/a	\$39
Remediation/Disposal	\$100	10-Aug-2012	28-Feb-2014	1.55	\$8	n/a	\$8
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to train personnel to use compliant paints, to implement the use of a calculation workbook to assist in averaging coatings usage, and to dispose of non-compliant paints. The Date Required is the first date of non-compliance and the Final Dates are the dates of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$850

**TOTAL**

\$66

Screening Date 11-Mar-2014

Docket No. 2014-0373-AIR-E

PCW

Respondent Stolt-Nielsen USA Inc.

Policy Revision 3 (September 2011)

Case ID No. 48399

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102562063

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 03016, STC No. 8, and NSR Permit No. 23405, SC No. 5

Violation Description

Failed to route emissions from container cleaning operations to the flare. Specifically, emissions from a container where the immediate past service of the container was a List I chemical were not vented to the flare on July 21, 2012, resulting in the unauthorized release of 0.0001 lb of para toluene sulfonic acid.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

	Major	Harm Moderate	Minor
Release Actual			x
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

## Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective measures on August 31, 2012, before the February 20, 2014 NOE.

Violation Subtotal \$2,813

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$139

Violation Final Penalty Total \$3,188

This violation Final Assessed Penalty (adjusted for limits) \$3,188

## Economic Benefit Worksheet

**Respondent** Stolt-Nielsen USA Inc.  
**Case ID No.** 48399  
**Reg. Ent. Reference No.** RN102562063  
**Media** Air  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$22,000	16-Jul-2012	31-Aug-2012	0.13	\$139	n/a	\$139
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Actual cost (provided by the Respondent) to establish an electronic work order database designed to display permit restrictions for specific chemicals. The Date Required is the first date of non-compliance and the Final Date is the date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$22,000

**TOTAL**

\$139



Screening Date 11-Mar-2014

Docket No. 2014-0373-AIR-E

PCW

Respondent Stolt-Nielsen USA Inc.

Policy Revision 3 (September 2011)

Case ID No. 48399

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102562063

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. O3016, STC No. 8, and NSR Permit No. 23405, SC Nos. 6 and 10

Violation Description

Failed to prevent prohibited chemicals from being vented to the flare. Specifically, emissions from a container previously containing wastewater containing 2.5% propylene dichloride were vented to the flare on July 11, 2012, resulting in the unauthorized release of 0.15 lb of hydrogen chloride.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

## Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective measures on August 31, 2012, before the February 20, 2014 NOE.

Violation Subtotal \$2,813

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,188

This violation Final Assessed Penalty (adjusted for limits) \$3,188

# Economic Benefit Worksheet

Respondent Stolt-Nielsen USA Inc.  
 Case ID No. 48399  
 Reg. Ent. Reference No. RN102562063  
 Media Air  
 Violation No. 4

Percent Interest 5.0  
 Years of Depreciation 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Economic Benefit included in Violation No. 3

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0



# Compliance History Report

**PUBLISHED** Compliance History Report for CN602524019, RN102562063, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

**Customer, Respondent, or Owner/Operator:** CN602524019, Stolt-Nielsen USA Inc.

**Classification:** SATISFACTORY

**Rating:** 1.67

**Regulated Entity:** RN102562063, STOLT TANK CLEANING FACILITY AND DEPOT

**Classification:** SATISFACTORY

**Rating:** 2.23

**Complexity Points:** 12

**Repeat Violator:** NO

**CH Group:** 14 - Other

**Location:** 16300 DE ZAVALLA RD CHANNELVIEW, TX 77530-4667, HARRIS COUNTY

**TCEQ Region:** REGION 12 - HOUSTON

## ID Number(s):

**AIR NEW SOURCE PERMITS** REGISTRATION 35015

**AIR NEW SOURCE PERMITS** REGISTRATION 31283

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER HG4078U

**AIR NEW SOURCE PERMITS** REGISTRATION 70631

**AIR NEW SOURCE PERMITS** REGISTRATION 79635

**AIR NEW SOURCE PERMITS** REGISTRATION 81528

**AIR NEW SOURCE PERMITS** REGISTRATION 85368

**AIR NEW SOURCE PERMITS** REGISTRATION 76452

**AIR NEW SOURCE PERMITS** REGISTRATION 90552

**AIR NEW SOURCE PERMITS** REGISTRATION 91622

**AIR NEW SOURCE PERMITS** REGISTRATION 95519

**AIR NEW SOURCE PERMITS** REGISTRATION 103602

**AIR NEW SOURCE PERMITS** REGISTRATION 117306

**AIR NEW SOURCE PERMITS** REGISTRATION 95879

**INDUSTRIAL AND HAZARDOUS WASTE** SOLID WASTE REGISTRATION # (SWR) 83712

**STORMWATER** PERMIT TXR05W207

**AIR OPERATING PERMITS** PERMIT 3013

**AIR OPERATING PERMITS** PERMIT 3016

**AIR NEW SOURCE PERMITS** PERMIT 23405

**AIR NEW SOURCE PERMITS** REGISTRATION 38465

**AIR NEW SOURCE PERMITS** AFS NUM 4820101476

**AIR NEW SOURCE PERMITS** REGISTRATION 72394

**AIR NEW SOURCE PERMITS** REGISTRATION 79698

**AIR NEW SOURCE PERMITS** REGISTRATION 84527

**AIR NEW SOURCE PERMITS** REGISTRATION 87680

**AIR NEW SOURCE PERMITS** PERMIT 77691

**AIR NEW SOURCE PERMITS** REGISTRATION 92026

**AIR NEW SOURCE PERMITS** REGISTRATION 92633

**AIR NEW SOURCE PERMITS** REGISTRATION 101755

**AIR NEW SOURCE PERMITS** REGISTRATION 109373

**AIR NEW SOURCE PERMITS** REGISTRATION 91429

**AIR NEW SOURCE PERMITS** REGISTRATION 101910

**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID TX0000326819

**AIR OPERATING PERMITS** ACCOUNT NUMBER HG4078U

**AIR OPERATING PERMITS** PERMIT 3016

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER HG4078U

**POLLUTION PREVENTION PLANNING** ID NUMBER P05677

**Compliance History Period:** September 01, 2008 to August 31, 2013

**Rating Year:** 2013

**Rating Date:** 09/01/2013

**Date Compliance History Report Prepared:** March 28, 2014

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** March 28, 2009 to March 28, 2014

## TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

**Name:** Amancio R. Gutierrez

**Phone:** (512) 239-3921

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

## **Components (Multimedia) for the Site Are Listed in Sections A - J**

### **A. Final Orders, court judgments, and consent decrees:**

N/A

### **B. Criminal convictions:**

N/A

### **C. Chronic excessive emissions events:**

N/A

### **D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	July 06, 2010	(829361)
Item 2	November 28, 2011	(969570)

### **E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	09/27/2013	(1116272)	CN602524019	
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition (SC) 5 PERMIT Special Terms and Conditions (ST&C) 14 OP			
	Description:	Failure to vent emissions from cleaning to the flare (FL-1).			
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.116(a)(1) 5C THSC Chapter 382 382.085(b)			
	Description:	Failure to follow the conditions upon which New Source Review Permits issued.			
2	Date:	02/20/2014	(1135139)	CN602524019	
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition (SC) 1 PERMIT Special Term and Condition (ST&C) 8 OP			
	Description:	Failure to prevent unauthorized emissions. (Category B 14)			

### **F. Environmental audits:**

### **G. Type of environmental management systems (EMSs):**

N/A

### **H. Voluntary on-site compliance assessment dates:**

N/A

### **I. Participation in a voluntary pollution reduction program:**

N/A

### **J. Early compliance:**

N/A

### **Sites Outside of Texas:**

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
STOLT-NIELSEN USA INC.  
RN102562063**

**§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2014-0373-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Stolt-Nielsen USA Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a tank container cleaning facility at 16300 De Zavalla Road in Channelview, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about February 25, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty Thousand Two Hundred Fifty-One Dollars (\$20,251) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eight Thousand One Hundred One Dollars (\$8,101) of the administrative penalty and Four Thousand Fifty Dollars

(\$4,050) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Eight Thousand One Hundred Dollars (\$8,100) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
  - a. On August 31, 2012, established an electronic work order database designed to display permit restrictions for specific chemicals;
  - b. On February 3, 2014, installed equipment to create a visual notification of commonly cleaned compounds and their hourly permitted cleaning limits;
  - c. On February 5, 2014, trained employees on compliance with the container per hour restrictions;
  - d. On February 27, 2014, trained personnel to use compliant paints and implemented the use of a calculation workbook to assist in averaging coatings usage; and
  - e. On February 28, 2014, disposed of non-compliant paints.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to comply with the conditions regarding the number of containers cleaned per hour, in violation of 30 TEX. ADMIN. CODE §§ 106.261(a)(3), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3016, Special Terms and Conditions ("STC") No. 8, and New Source Review ("NSR") Permit No. 23405, Special Conditions ("SC") No. 7, as documented during a record review conducted from January 6, 2014 through February 12, 2014. Specifically, hydrazine and olefin sulfide containers are limited to one container cleaned per hour; however, on October 11, 2012 and June 11, 2013, two containers were cleaned per hour.
2. Failed to comply with the volatile organic compound ("VOC") emissions specifications for surface coating, in violation of 30 TEX. ADMIN. CODE §§ 115.421(a)(9)(A)(iii) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3016, STC No. 1A, as documented during a record review conducted from January 6, 2014 through February 12, 2014. Specifically, on seven occasions between August 10, 2012 through September 9, 2012 and on one occasion on March 24, 2013, the Respondent used coating with greater than 3.5 pounds of VOC per gallon of coating.
3. Failed to route emissions from container cleaning operations to the flare, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3016, STC No. 8, and NSR Permit No. 23405, SC No. 5, as documented during a record review conducted from January 6, 2014 through February 12, 2014. Specifically, emissions from a container where the immediate past service of the container was a List I chemical were not vented to the flare on July 21, 2012, resulting in the unauthorized release of .0001 lb of para toluene sulfonic acid.
4. Failed to prevent prohibited chemicals from being vented to the flare, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O3016, STC No. 8, and NSR Permit No. 23405, SC Nos. 6 and 10, as documented during a record review conducted from January 6, 2014 through February 12, 2014. Specifically, emissions from a container previously containing wastewater containing 2.5% propylene dichloride were vented to the flare on July 11, 2012, resulting in the unauthorized release of 0.15 lb of hydrogen chloride.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Stolt-Nielsen USA Inc., Docket No. 2014-0373-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Eight Thousand One Hundred Dollars (\$8,100) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or



authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
For the Executive Director

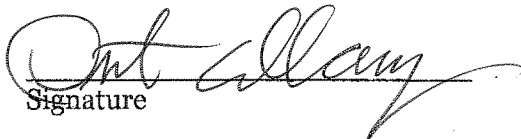
10/8/14  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
Signature

10-19-14  
Date

Dustin Callaway  
Name (Printed or typed)  
Authorized Representative of  
Stolt-Nielsen USA Inc.

ISD Director  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

**Attachment A**  
**Docket Number: 2014-0373-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Stolt-Nielsen USA Inc.</b>
<b>Penalty Amount:</b>	<b>Sixteen Thousand Two Hundred One Dollars (\$16,201)</b>
<b>SEP Offset Amount:</b>	<b>Eight Thousand One Hundred Dollars (\$8,100)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Barber's Hill Independent School District</b>
<b>Project Name:</b>	<b><i>Alternative Fuel School Bus Replacement</i></b>
<b>Location of SEP:</b>	<b>Chambers County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

**a. Project**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO<sub>x</sub>"), particulate matter ("PM"), and volatile organic compounds ("VOCs") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five (5) years following the date of purchase. The SEP will

be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO<sub>x</sub> may be reduced by 98%; VOCs by 93%; CO by 83%; and PM by 99%.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant  
Carl R. Griffith & Associates, Inc.  
2901 Turtle Creek Drive, Suite 445  
Port Arthur, Texas 77642

### **3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

### **5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.